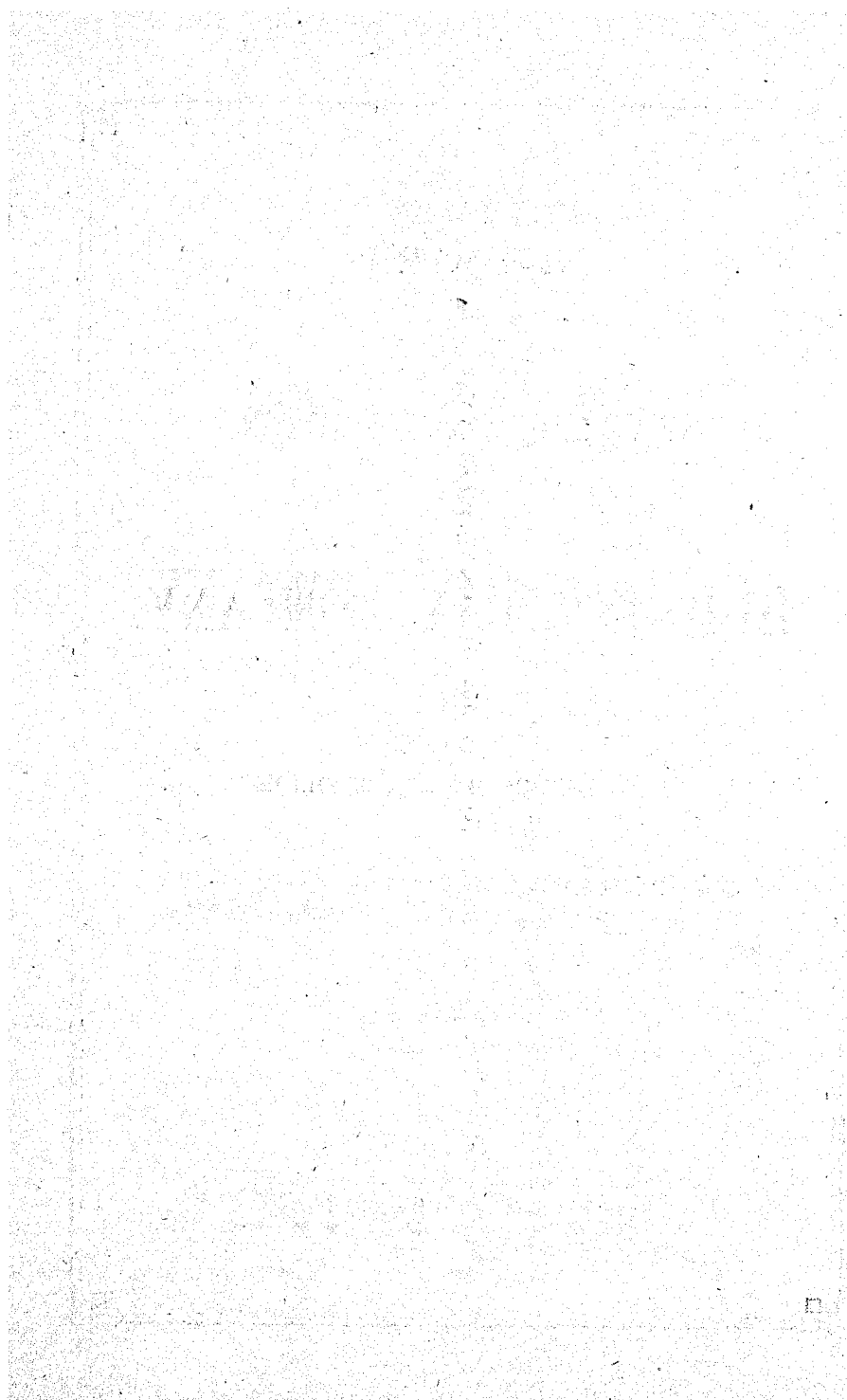


REPORT
OF THE
GOVERNOR AND COMMITTEE
OF THE
HUDSON'S BAY COMPANY,
TO BE
LAID BEFORE THE SHAREHOLDERS,
ON TUESDAY, JULY 6TH, 1880.

LONDON
PRINTERS: SIR JOSEPH CAUSTON AND SONS,
47, EASTCHEAP, E.C., & SOUTHWARK ST., S.E.

1880.



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1880.

DIRECTORS.



Governor.

THE RIGHT HONORABLE
GEORGE J. GOSCHEN, M.P.

Deputy-Governor.

EDEN COLVILE, Esquire.

Committee.

GEORGE LYALL, Esquire.

EDWARD WILLIAM TERRICK HAMILTON, Esquire.

THOMAS HOLDSWORTH NEWMAN, Esquire.

Sir JOHN ROSE, Bart., G.C.M.G.

FRANCIS PEEK, Esquire.

MONTAGU C. WILKINSON, Esquire.

JOHN P. GASSIOT, Esquire.

A GENERAL COURT of the Governor and Company of Adventurers of England trading into Hudson's Bay will be held at the City Terminus Hotel, Cannon Street, on Tuesday, the 6th July, at Two o'clock, p.m., when a Report from the Governor and Committee will be laid before the Shareholders, and a Dividend declared.

The Transfer Books of the Company will be closed on the 18th instant and re-opened on the 9th July.

By order of the Governor, Deputy-Governor, and Committee of the said Company,

W. ARMIT,

Secretary.

HUDSON'S BAY HOUSE,

London, June 8th, 1880.

REPORT.

THE Committee have now to submit to the Proprietors the Accounts of the Company, showing the results of Outfit 1878 (namely from 1st June, 1878, to 31st May, 1879) which are somewhat more favourable than those of the previous year, notwithstanding the fact which was mentioned in November last that the returns would not be equal in quantity to those of Outfit 1877, the falling off being due principally to the great scarcity of provisions in the plains and other districts, which caused much suffering and distress among the Indian tribes.

As regards the Fur Sales held in January and February last, the Committee were glad to notice a better demand with improved prices for most of the articles imported by the Company. Unfortunately, however, the important article of Marten declined nearly 15 per cent. from the prices obtained in the spring of 1879, when an advance of 20 per cent. was realized upon the sale of the previous year.

The profits on the Fur Trade Accounts of Outfit 1878 amount to £55,803 9s. 3d., as compared with £52,852 8s. 9d. in Outfit 1877, and it will be observed by reference to the Appropriation Account, that the share of profits falling to the officers of the Company amounts to £6,015 9s. 7d., a sum which yields £67 11s. 9d. per share as defined by the Deed Poll.

A further sum of £7,334 10s. 5d. is therefore required to make up the income of the officers to £150 per share, in

accordance with the resolutions adopted by the Shareholders in June last, and Profit and Loss Account is accordingly debited with that amount.

The net profits of the Company, as shown in Profit and Loss Account, amount to £46,286 7s. 8d., to which must be added the amount carried forward from last year, £22,037 11s. 6d., making a total undivided balance of £68,323 19s. 2d.

The Committee now recommend a dividend of 9s. per share, amounting to £45,000, which would leave £23,323 19s. 2d. to be carried forward to next account.

The Committee have recently received reports from several of the districts, to the effect that the unusually severe winter and the continued scarcity of food have to some extent affected the prospects of the trade for Outfit 1879; but the results may yet be improved by the spring hunts, when the returns for the year are completed.

The general business of the Company continues to occupy the attention of the Committee, and arrangements are now being made for the erection of new buildings upon suitable sites at Winnipeg, West Lynne, and Portage la Prairie, where, with the large influx of settlers, the nature of the trade has greatly changed during the past two years. These buildings will not, however, be ready till next spring. Grist mills are also in course of erection by the Company in various localities where settlement has already commenced, and where, the Committee are advised that the prospects of carrying on a general trade are encouraging.

In consequence of the accident to the steamer "Lily," reported in November last, and the difficulties attending the navigation of the River Saskatchewan, it has been found necessary to sanction the sheathing of that vessel, which will be attended to in the course of the present season. The steamer "Northcote," in conjunction with the "Lily" on the Saskatchewan, and the "Colville" on Lake Winnipeg, will be employed, as last year, in transporting the bulk of the supplies and the returns of the Northern

Department to and from Lower Fort Garry, near which point communication is obtained by the branch line of the Pembina Railway, which joins the American system through the United States.

As regards the business of the Western Department, the Committee have to report that a satisfactory arrangement has been made by the Company with the owners of boats on the Fraser River, whereby the improving prospects of the carrying trade between Victoria and New Westminster can be turned to better account, and with the facilities obtained in connection with the transport of goods to and from the interior of British Columbia, it is expected that the Company's steamers, which are under contract to carry the mails between Victoria and New Westminster, will be beneficially affected. In connection with this matter the Committee are also glad to mention that the Dominion Government have recently entered into a contract for the construction of a line of railway in British Columbia between Kamloops and Yale on the Fraser River; and, as the work will shortly be commenced, the traffic between the mainland and Vancouver's Island may be expected to increase with the development of the Province.

The Company's Marine Insurance Fund shows a satisfactory result for the year, the amount at its credit being now £43,746 3s. 6d., as compared with £40,345 15s. 3d. on the 1st of June, 1879. The Committee are of opinion that it is very desirable to allow this Fund to increase, so that a larger share of the Company's risks may be taken with advantage to the Proprietors.

The Land Account of the Company for the year ending 31st May, 1879, shows a balance of £9,696 0s. 5d. to be carried forward, after deducting taxes and sundry payments, the particulars of which are set forth in the account now submitted.

The Committee have received advices from the Land Commissioner that the cash receipts on account of the Land Department, from the 1st of June, 1879, to the end of

March last, have amounted to \$51,790, and the expenses were \$32,871, leaving a balance of \$18,919 (about £3,800). These expenses are applicable to a much larger area than the land already sold, in respect of which instalments have been received, and they include outlay for taxes, surveying and laying out town plots, salaries of land commissioner, surveyors, and clerks, the cost of advertising lands for sale, and other items. The next account to be presented to the Shareholders will contain the receipts and expenditure of the Land Department for the year ending 31st May, 1880.

By the annexed schedule, the Proprietors will observe that from 1872 to the end of March last, 290 lots have been sold at Fort Garry for \$198,929, and that 58 of these lots sold for \$36,130, and advised in previous Reports, have been resumed by the Company, in consequence of the failure of the purchasers to comply with the Conditions of Sale. These lots can be resold as opportunities offer, and will, in all probability, realise higher prices. Various improvements, including the erection of Parliamentary buildings on land adjoining the Company's reserves, are expected to be proceeded with in the course of the season, and when these buildings are erected, the position and prospects of the Company's town lots will, no doubt, be improved.

The instalments and interest received on account of the Sales at Fort Garry have amounted to \$116,662. The instalments and interest in arrear (\$8,460), and the instalments not yet due (\$52,819), amount together to \$61,279.

At the smaller stations, West Lynne, Portage la Prairie, and Rat Portage, 158 town lots have been sold for the sum of \$9,858, on account of which instalments amounting to \$2,482 have been received, leaving \$7,376 still due.

The Company have also sold, since June last, 14,051 acres of farming land in Manitoba, for \$82,825, being at an average of about \$6 per acre. The payments in this instance are made by instalments, extending over a period of eight years, with interest at the rate of 7 per cent. on the amount unpaid. The instalments received on account of the sales

of farming lands have amounted to \$10,054, and the balance outstanding is \$72,771.

The lands sold are, for the most part, situated near the Red River, or the Pembina Branch line, by which easy means of communication can be obtained with Winnipeg and the United States.

Shareholders will have noticed with satisfaction the public announcements which have been made of the large number of emigrants which Manitoba and the North-West Territory have attracted during the past and the present season; and they will be glad to learn that the Reports of the delegates from tenant farmers in the United Kingdom who visited Canada last year are decidedly encouraging as regards the advantages offered by the Prairie Province and the adjoining territory to settlers from the agricultural districts.

The Dominion Government are proceeding with the work of extending a line of railway westward from Winnipeg, and have recently entered into a contract for the construction of 100 miles of the line in addition to the contract given out last year for the first 100 miles, a portion of which will be in working order during the present season.

The completion of the railway between Lake Superior and Manitoba will, in all probability, be delayed two or three years longer, owing to the difficult nature of the country through which the line is intended to pass.

The Committee have not yet received from Canada the assent of the Government to the case prepared on behalf of the Company for submission to the Privy Council, with the view of determining the question of liability in respect of the Red River losses, but they expect that a communication from the Government upon the subject will soon be made.

On behalf of the Committee,

E. COLVILLE,

Deputy-Governor.

(1.) TRADING ACCOUNT.

Exhibiting the Profit and Loss results during Outfit 1878; namely, from 1st June, 1878,

Dr. to 31st May, 1879. Cr.

| | £ | s. | d. | | £ | s. | d. |
|--|---------|----|----|---|---------|----|----|
| To Goods, Provisions, Stores, Supplies, as per Inventory, 1st June, 1878 | 332,880 | 15 | 5 | By Proceeds of Furs and other Imports into Great Britain, the Returns of this Outfit, after deducting Freight, Dock Charges, Cartage, Fire Insurance, &c. | 218,153 | 1 | |
| „ Goods (the produce of the country), Debts, and other Articles, as per Inventory, 1st June, 1878 | 238,355 | 13 | 6 | „ Estimated value of Furs in transit, less estimated amount of further charges against Outfit | 4,889 | 13 | 7 |
| „ Goods, Provisions, and Stores purchased in England, supplied for Outfit 1878 | 110,573 | 10 | 8 | „ Proceeds of Goods realized in the Territory, and other credits incidental to carrying on the Trade of Outfit 1878 | 73,516 | 0 | 0 |
| „ Amount written off, as depreciated value of Ships and Premises, and balance of Ships' Accounts | 3,037 | 10 | 11 | „ Discount on Insurance Premiums | 1,190 | 9 | 1 |
| „ Loss on Sealing voyage per Steamer "Labrador" | 614 | 12 | 10 | „ Goods, Provisions, Stores, and Supplies, as per Inventory, 31st May, 1879 | 335,811 | 12 | 9 |
| „ Purchase of Furs and Country Provisions in the Territory, and Transport, Insurance, and other debts incidental to carrying on the Trade of Outfit 1878 | 84,197 | 5 | 11 | „ Goods (the produce of the country), Debts and other Articles, as per Inventory, 31st May, 1879 | 218,320 | 4 | 3 |
| „ Fire Insurance Fund | 2,000 | 0 | 0 | | | | |

" Expenses incurred in London, 1st June, 1878,
to 31st May, 1879, viz. :—

Governor and Committee £3,500 0 0
Salaries of Secretary and
other Officers 3,342 10 0

Wages of Labourers em-
ployed in the Ware-
house, and Sundry
Charges 3,108 19 6

Rent and Taxes of Offices
in Leadenhall Street,
and Warehouse in Lime
Street 1,984 7 9

Miscellaneous Expenses,
including Agency in
Scotland, Law Charges,
Stationery, Printing, &c. 876 8 9

12,812 6 0

" Salary, &c., to Local Officers

1,000 0 0

" Pensions and Donations in London and abroad

605 16 8

" Balance carried down, being Profit on Outfit

1878 55,803 9 3

£841,881 1 2

£841,881 1 2

(2.) APPROPRIATION ACCOUNT.

Dr.

Outfit 1878, and previous Outfits.

Cr.

| | £ | s. | d. | | £ | s. | d. |
|--|---------|----|----|---|---------|----|----|
| To Officers, for their share of Profit, after deducting Interest | 6,015 | 9 | 7 | By Balance, being Profit on Outfit 1878, brought down | 55,803 | 9 | 3 |
| " Fur Trade Officers' Reserve Fund, Amount appropriated thereto | 425 | 1 | 7 | | | | |
| " Loss in realization of outstanding accounts, Outfit 1877 | 1,861 | 15 | 6 | | | | |
| " Hudson's Bay Company, for the Balance .. | 47,501 | 2 | 7 | | | | |
| | £55,803 | 9 | 3 | | £55,803 | 9 | 3 |

HUDSON'S BAY COMPANY.

(3.) **PROFIT AND LOSS:**

貳

1st June, 1879, to 31st May, 1880.

Ex.

| | £ | s. | d. |
|--|-----------------|-----------|----------|
| To Balance of Interest on Fur Trade Account | 90 | 10 | 10 |
| „ Interest on Officers' and Servants' Deposits | 2,223 | 10 | 11 |
| „ Commissioned Officers for appropriation under Guarantee of 24th June, 1879 | 7,334 | 10 | 5 |
| „ Interest on Marine Insurance Fund | 1,623 | 14 | 11 |
| „ Income Tax | 328 | 7 | 9 |
| „ Sundry Colonial Charges not chargeable to Trading Account | 1,050 | 0 | 0 |
| „ Miscellaneous Expenses | 842 | 11 | 0 |
| „ Balance carried down, being Net Profits | 46,286 | 7 | 8 |
| | <u>£59,779</u> | <u>13</u> | <u>6</u> |
| To Dividend paid, July, 1879 | £40,000 | 0 | 0 |
| „ Balance of undivided Profits, 31st May, 1880 | 68,323 | 19 | 2 |
| | <u>£108,323</u> | <u>19</u> | <u>2</u> |

| | £ | s. | d. |
|--|-----------------|-----------|----------|
| By Profit on Fur Trade brought to credit this year | 47,501 | 2 | 7 |
| „ Interest, Dividends, and Sundries | 10,617 | 18 | 4 |
| „ Rents of Buildings | 222 | 6 | 7 |
| „ Return of Income Tax for years 1877 and 1878 | 1,438 | 6 | 0 |
| | <u>£59,779</u> | <u>13</u> | <u>6</u> |
| By Balance brought down | £46,286 | 7 | 8 |
| „ Balance of undivided Profits, 1st June, 1879 | £72,191 | 4 | 11 |
| Less Amount voted by Shareholders, June 1879, for remuneration of Officers for Outfit 1877 | 10,153 | 13 | 5 |
| | <u>£62,037</u> | <u>11</u> | <u>6</u> |
| | <u>£108,323</u> | <u>19</u> | <u>2</u> |

(4.) LAND ACCOUNT.

Dr. Exhibiting the Cash Receipts and Disbursements, from 1st June, 1878, to 31st May, 1879. Cr.

| | £ | s. | d. | | £ | s. | d. |
|--|-------|-------|-------------|--|-----|------|-------------|
| 1879. May 31. To WESTERN DEPARTMENT— | | | | 1878. June 1 By Balance of former Account | ... | ... | 10,137 5 5 |
| Sundry Charges | ... | ... | 105 1 0 | | | | |
| „ NORTHERN DEPARTMENT— | | | | 1879. May 31 „ WESTERN DEPARTMENT— | | | |
| Municipal and other Taxes, on Lands at Winnipeg | 1,627 | 1 7 | | Cash received in respect of Sales of Land in Vancouver's Island | 872 | 3 4 | |
| Legal Expenses | 128 | 7 9 | | Ditto ditto in British Columbia | 435 | 16 6 | |
| Salary of Clerk and Sundry Charges | 452 | 0 7 | 2,207 9 11 | | | | 1,307 19 10 |
| „ MONTREAL DEPARTMENT— | | | | | | | |
| Cash paid for the completion of purchase of Land at Fort William, Lake Superior | 412 | 10 0 | | „ NORTHERN DEPARTMENT— | | | |
| Sundry Taxes on Lands at Fort William, Sault St. Marie, and La Cloche | 137 | 15 11 | | Cash received in respect of Sales of Land in Manitoba | ... | ... | 1,563 1 2 |
| Salary of Surveyor, Clerk, &c. ... | 279 | 15 0 | | | | | |
| Legal and other expenses | 169 | 14 2 | | | | | |
| | | | 999 15 1 | | | | |
| „ Balance | | | 9,696 0 5 | | | | £13,008 6 5 |
| | | | £13,008 6 5 | | | | |

(5.) MARINE INSURANCE FUND.

Dr.

31st May, 1880.

Cr.

| | | £ | s. | d. | | | £ | s. | d. |
|-----------------|--|--------|----|----|---------|---|---------|----|----|
| 1880. | | | | | 1879. | | | | |
| May 31. | To Particular Average on Steamer "Labrador," &c., in respect of Insurances by the Company .. | 462 | 8 | 4 | June 1. | By amount of Fund at this date | £40,345 | 15 | 3 |
| " Balance | | 48,746 | 3 | 6 | 1880. | | | | |
| | | | | | May 31. | .. Amount of Premiums on Insurances by the Company for Account of the Fur Trade from 1st June, 1879, to 31st May, 1880 | 2,239 | 1 | 8 |
| | | | | | | .. Interest for one year | 1,623 | 14 | 11 |
| | | | | | | | £44,208 | 11 | 10 |

(6.) BALANCE-SHEET.

Dr.

31st May, 1880.

Cr.

| | £ | s. | d. | | £ | s. | d. |
|---|-----------|----|----|---|------------|----|----|
| To Capital | 1,700,000 | 0 | 0 | By Cash in hand, and on Deposit.. | 143,329 | 14 | 9 |
| " Amount due to Officers and Servants on their Deposits | 71,950 | 7 | 11 | " Sundry Investments | 192,551 | 7 | 5 |
| " Notes in circulation in Hudson's Bay | 518 | 6 | 0 | " Amount due by Officers and Servants | 1,231 | 8 | 8 |
| " Land Sales, Balance to 31st May, 1879 | 9,696 | 0 | 5 | " Amount invested in the Fur Trade (exclusive of Goods in course of Shipment), viz.: | | | |
| " Unpaid Dividends, and other Balances (exclusive of amount due in respect of Goods in course of Shipment on 31st May, 1880, not included in Assets <i>per contra</i>) | 855 | 5 | 9 | Fleet of Ships and Steamers employed in the trade | 23,512 | 13 | 4 |
| " Marine Insurance Fund | 43,746 | 3 | 6 | Valuation of Trading Goods, Provisions and Stores in hand, and advances for carrying on the trade | 734,230 | 11 | 2 |
| " Undivided Profits, 31st May, 1880 | 68,323 | 19 | 2 | | 757,743 | 4 | 6 |
| | | | | | | | |
| | | | | " Balance, represented by the remaining Property of the Company | 800,214 | 7 | 5 |
| | | | | | | | |
| | | | | | £1,895,070 | 2 | 9 |

Examined and found to be in due accordance with the Books, Accounts, and Vouchers of the Company,

QUILTER, BAILL, CROSSBIE, GLEGG AND WELTON.

WM. QUILTER, Auditor.

5, Moorgate Street,
London, 8th June, 1880.

Statement of Sales of Lots of Land at Fort Garry, each 120 feet by 50 feet.

| Date of Sale. | No. of Lots. | Purchase Price. | Installments Paid. | Interest Paid. | Installments in Arrear. | Interest in Arrear. | Installments not due. |
|-------------------|--------------|-----------------|--------------------|----------------|-------------------------|---------------------|-----------------------|
| 1872.—July | 60 | \$50,379-83 | \$48,915-95 | \$7,810-24 | \$1,463-88 | 715-15 | ... |
| 1873.—May | 9 | 6,700-00 | 6,020-00 | 990-13 | 680 00 | 221-20 | ... |
| June | 3 | 2,000-00 | 2,000-00 | 280-00 | ... | ... | ... |
| July | 2 | 1,000-00 | 1,000-00 | 161-00 | ... | ... | ... |
| December | 2 | 2,100 00 | 2,100-00 | 301-35 | ... | ... | ... |
| 1874.—June | 1 | 450-00 | 270-00 | 75-60 | 180-00 | 12-60 | ... |
| August | 3 | 1,975-00 | 1,845-00 | 285-23 | 130-00 | 9-10 | ... |
| September | 11 | 6,200-00 | 5,690-00 | 1,219-53 | 510-00 | 67-20 | ... |
| October | 10 | 4,835-00 | 4,835-00 | 749-65 | ... | ... | ... |
| 1875.—April | 4 | 2,525-00 | 1,795-00 | 318-67 | 730-00 | ... | ... |
| August | 1 | 450-00 | 450-00 | 68 60 | ... | 136-20 | ... |
| 1876.—January | 1 | 830-00 | 830-00 | 171-86 | ... | ... | ... |
| April | 2 | 1 150-00 | 780 00 | 158-93 | 140-00 | 12-60 | 230-00 |
| May | 1 | 900-00 | 540-00 | 98-86 | 180-00 | 12-60 | 180-00 |
| August | 3 | 1,525-00 | 900-00 | 180-95 | 320-00 | ... | 305-00 |
| October | 1 | 400-00 | 230-00 | ... | 10-00 | 40-90 | 160-00 |
| December | 2 | 975-00 | 860-00 | 125-53 | ... | ... | 115-00 |
| 1877.—March | 2 | 1,895-00 | 1,015-00 | 175-52 | ... | ... | 680-00 |
| April | 1 | 400-00 | 80-00 | ... | 160-00 | 56-00 | 160-00 |
| May | 6 | 3,250-00 | 1,048-00 | 239-53 | 428-00 | 24-36 | 1,774-00 |
| July | 1 | 400-00 | 240-00 | 22-40 | ... | 16-80 | 160-00 |
| August | 3 | 1,250-00 | 580-00 | 134-40 | 170-00 | 11-90 | 500-00 |
| October | 1 | 400-00 | 400-00 | 52-27 | ... | ... | ... |
| 1878.—August | 3 | 1,225-00 | 800-00 | 62-80 | 170-00 | 11-90 | 255-00 |
| October | 5 | 1,925-00 | 855-00 | 76-47 | 140-00 | 9-60 | 930-00 |
| December | 1 | 400-00 | 80-00 | 5-60 | 80-00 | 5-60 | 240-00 |
| 1879.—June | 17 | 7,490-00 | 1,208-00 | ... | 290-00 | ... | 5,992-00 |
| July | 10 | 6,150-00 | 778-00 | 8-35 | 330-00 | ... | 4,042-00 |
| August | 12 | 4,995-00 | 999-00 | ... | ... | ... | 3,996-00 |
| September | 21 | 17,775-00 | 3,180-00 | ... | 375 00 | ... | 14,220-00 |
| October | 11 | 7,700-00 | 3,780-00 | 4-65 | ... | ... | 3,970-00 |
| November | 6 | 11,200 00 | 6,720-00 | ... | ... | ... | 4,480-00 |
| 1880.—January | 8 | 5,075-00 | 935-00 | ... | 120-00 | ... | 4,020-00 |
| February | 3 | 3,250-00 | 650-00 | ... | ... | ... | 2,600-00 |
| March | 5 | 4,825-00 | 475-00 | ... | 490-00 | ... | 3,860-00 |
| 1872.—27 July | 232 | \$162,799-83 | \$102,883-95 | \$13,778-11 | 7,096-88 | \$1,363-71 | \$52,819-00 |
| 1873.—9 August | 23 | 19,875-00 | ... | ... | ... | ... | ... |
| 1874.—7 September | 2 | 1,525-00 | ... | ... | ... | ... | ... |
| 15 October | 1 | 700-00 | ... | ... | ... | ... | ... |
| | 32 | 14,030-00 | ... | ... | ... | ... | ... |

Lots resumed by the Company.

LONDON, May 31st, 1880.





1880 JULY PROCEEDINGS MISSING.